

§ 19.723

(b) The proprietor must keep all spirits and fuel alcohol received for redistillation physically separate from each other and from other spirits and fuel alcohol until they are redistilled;

(c) Spirits recovered by redistillation will be treated the same as spirits that have not been redistilled; and

(d) All provisions of this subpart and 26 U.S.C. chapter 51, including provisions regarding liability for tax applicable to spirits when originally produced, apply to spirits recovered by distillation.

(26 U.S.C. 5181)

§ 19.723 Effect of redistillation on plant size and bond amount.

The redistillation of spirits at an alcohol fuel plant may affect the alcohol fuel plant size category and the resulting bond penal sum amount. The following rules apply in this regard:

(a) Spirits originally produced by the alcohol fuel plant and subsequently recovered by redistillation are not includable in the determination of plant size and bond amount; and

(b) Spirits originally produced elsewhere and subsequently recovered by redistillation at the alcohol fuel plant are includable in the determination of plant size and bond amount.

(26 U.S.C. 5181)

§ 19.724 Records of redistillation.

(a) Except as otherwise provided in paragraph (b) of this section, a proprietor must record in a separate record the following information for spirits and fuel alcohol received at the alcohol fuel plant for redistillation:

- (1) Date of receipt;
- (2) Identification as spirits or fuel alcohol;
- (3) Quantity received;
- (4) From whom received;
- (5) Reason for redistillation;
- (6) Date redistilled; and
- (7) The quantity of spirits recovered by redistillation.

(b) A proprietor may use a document required by § 19.729 or § 19.734 or any other commercial record covering spirits or fuel alcohol received in lieu of the record required by paragraph (a) of this section, provided that it contains all of the information required by para-

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graph (a) of this section, including any such information added to it by the proprietor.

(26 U.S.C. 5181, 5223)

RULES FOR USE, WITHDRAWAL, AND TRANSFER OF SPIRITS

§ 19.726 Prohibited uses, transfers, and withdrawals.

No person may withdraw, use, sell or otherwise dispose of distilled spirits, including fuel alcohol, produced under this subpart for any purpose other than for fuel use. The law imposes criminal penalties on any person who withdraws, uses, sells, or otherwise disposes of distilled spirits, including fuel alcohol, produced under this subpart for other than fuel use.

(26 U.S.C. 5181, 5601)

§ 19.727 Use on premises.

A proprietor may use spirits as a fuel on the premises of the alcohol fuel plant where they were produced without having to make them unfit for beverage use. A proprietor using spirits in this way must keep the applicable records concerning such use as provided in § 19.718(b)(3).

(26 U.S.C. 5181)

§ 19.728 Withdrawal of spirits.

Before withdrawal of spirits from the premises of an alcohol fuel plant, the proprietor must render the spirits unfit for beverage use as provided in this subpart. Spirits rendered unfit for beverage use may be withdrawn free of tax from the alcohol fuel plant premises if they will be used exclusively for fuel.

(26 U.S.C. 5181, 5214)

§ 19.729 Withdrawal of fuel alcohol.

(a) For each shipment or other removal of fuel alcohol from the alcohol fuel plant premises, the consignor proprietor must prepare a commercial invoice, sales slip, or similar document that shows:

- (1) The date of the withdrawal;
- (2) The quantity of fuel alcohol removed;
- (3) A description of the shipment that includes the number and size of containers, tank trucks, etc.; and